

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re: CAESARS ENTERTAINMENT OPERATING COMPANY, INC., et al., Debtor.	Case No. 15-01145(AGB) Chapter 11 (Jointly Administered)
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**VERIFIED STATEMENT OF THE AD HOC COMMITTEE
OF HOLDERS OF THE 12.75% SECOND PRIORITY SENIOR
SECURED NOTES DUE 2018 PURSUANT TO BANKRUPTCY RULE 2019**

The Ad Hoc Committee of Holders of the 12.75% Second Priority Senior Secured Noteholders due 2018 (the “Ad Hoc Committee”), consisting of XAIA Investment GmbH, BlueMountain Capital Management, LLC and Arrowgrass Capital Partners (US) LP, by its attorneys Carlson Dash, LLC (“Carlson Dash”) and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (“Mintz Levin”), respectfully submits this verified statement (the “Statement”) pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (“Rule 2019”), as follows:

1. The 12.75% Second Priority Senior Secured Notes due 2018 (the “12.75% Second Lien Notes”) refer to those notes issued under the indenture (the “Indenture”) dated as of April 16, 2010, among Harrah’s Operating Escrow LLC and Harrah’s Escrow Corporation, as issuer (now known as Caesars Entertainment Operating Company, Inc. (“CEOC”)), Harrah’s Entertainment, Inc., as parent guarantor (now known as Caesars Entertainment Corporation), and U.S. Bank National Association, as trustee and collateral agent. Bank of Oklahoma Financial, National Association is successor trustee under the Indenture.

2. The Ad Hoc Committee has engaged Carlson Dash and Mintz Levin to represent them in connection with the chapter 11 cases of CEOC, et al. (collectively, the “Debtors”). In accordance with Rule 2019, below is a list of the names and addresses of, and the nature and

amount of all disclosable economic interests held by, each Ad Hoc Committee member in relation to the Debtors as of February 25, 2015.

3. The claims and amounts set forth below have been provided by the applicable Ad Hoc Committee members. By filing this Statement, the Ad Hoc Committee makes no representation regarding the amount, allowance or priority of such claims and reserves all rights with respect thereto.

Name	Address	Nature and Amount of Disclosable Economic Interest (\$USD)	
		12.75% Second Lien Notes	Other
Arrowgrass Capital Partners (US) LP, an investment advisor and agent for its advisory clients	1330 Avenue of the Americas, 32 nd Floor New York, New York 10019	\$152,275,000	<u>11.25 % Senior Secured Notes due 2017: \$20,000,000</u>
BlueMountain Capital Management, LLC	280 Park Avenue, Floor 12 New York, New York 10017	\$84,730,000	<u>Cromwell First Lien Term Loan:</u> \$15,095,954 <u>Term Loan B7 Financing:</u> \$6,962,506 <u>10% BM1 Second Liens:</u> \$89,079,000
XAIA Investment GmbH, an investment advisor and agent for its advisory clients	Sonnenstrasse 19 D-80331 Munchen Munchen HRB 190342 Germany	\$162,500,000	N/A

4. Nothing in this Statement should be construed as a limitation upon, or waiver of, any member of the Ad Hoc Committee's right to assert, file, and/or amend its claims in accordance with applicable law and any orders entered in these cases.

5. The Ad Hoc Committee reserves the right to amend or supplement this Statement in accordance with the requirements set forth in Rule 2019.

6. The undersigned verify that the foregoing is true and correct to the best of their knowledge.

Dated: February 27, 2015

/s/ Jeffrey E. Altshul

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